

Service Date April 21, 1975

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

In the Matter of the application of	)	
BLACK HILLS POWER & LIGHT COMPANY	)	DOCKET NO. 6292
for an order authorizing the issuance of and sale of	)	
\$50,000 shares of cumulative preferred stock	)	ORDER NO. 4188

On March 27, 1975, BLACK HILLS POWER AND LIGHT COMPANY, (hereinafter referred to as Black Hills) a corporation organized and existing under and by virtue of the laws of the State of South Dakota, and qualified to transact business in Montana, filed with the Public Service Commission of Montana, its verified application, pursuant to RCM 1947, Section 70-117.1 to 70-117.6, inclusive, requesting an order authorizing Black Hills to issue and sell 50,000 shares of a new series of its authorized and unissued cumulative preferred stock of the par value of \$100 per share, 117 series, hereinafter referred to as the New Preferred Stock. The application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana.

It is alleged in the application that Black Hills is a public utility as defined in RCM 1947, Section 70-103, in that it furnishes electric service in Montana; and that Black Hills is duly qualified to do business in the states of South Dakota, Montana and Wyoming. Reference is hereby made to the annual reports of Black Hills on file with the Commission with respect to the general character of Black Hills' business and the territory served by it.

Black hills proposes to issue and **sell the New Preferred Stock** on or about the latter part of the month of April, 1975, for a price of par plus accrued dividends from the date of issue to the of closing. The New Preferred Stock will rank pari passu in all with the presently outstanding 4.207. series, 4.757. series, and 8.757. series of cumulative preferred stock of Black Hills and wilt have the voting rights. The voting rights of the stockholders of Black Hills are set forth in subdivisions F, G, H, I, J and L of Article Fourth of the Articles of Incorporation, as amended, a copy of which has been filed (Exhibit A), to which reference is hereby made. Black Hills' outstanding series of cumulative preferred stock do not have, and the New Preferred Stock will not have any preemptive or other subscription rights, and the holders of the outstanding shares of common stock of Black Hills do not have any preemptive right to subscribe to the New Preferred Stock. The New Preferred Stock will be entitled to \$100 per share in the event of involuntary liquidation, and to the then applicable redemption price in the event of voluntary liquidation.

The following institutions have offered to purchase the New Preferred Stock in the number of shares set opposite their names, upon the terms described in the application (dividends will accrue at the rate of 11% per annum) at a price of par plus accrued dividends from the date of issue which offers were accepted by Black Hills on or about March 1, 1975, subject to the approval of the Federal Power Commission and the Public Service Commissions of Montana and Wyoming:

<u>Purchasers</u>	<u>Number of Shares</u>
The Lincoln National Life Ins. Co. Fort Wayne, IN	12,500
Allstate Ins. Co. Northbrook, IL	10,000
Pacific Mutual Life Ins. Co. Los Angeles, CA	10,000
Central Life Assurance Co. Des Moines, IA	5,000
Woodmen Accident & Life Co. Lincoln, NB	5,000
Luthern Mutual Life Ins. Co. Waverly, IA	5,000
American Mutual Life Ins. Co. Des Moines, IA	<u>2,500</u>
	50,000

Black Hills proposes to apply the net proceeds from the sale of the New Preferred Stock to the additions and improvements of its properties, including the repayment of interim bank loans obtained for such purposes.

The application sets forth counsel who will pass upon the legality of the proposed issue and the other regulatory authorizations required and the propriety of the proposed issue.

Having fully considered the application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following

#### FINDINGS OF FACT

1. That the applicant, Black Hills Power and Light Company, is a corporation organized and existing under and by virtue of the laws of the State of South Dakota and is qualified to transact business in the State of Montana.

2. That Black Hills is operating as a public utility as defined in Section 70-103, RCM 1947, and as such is engaged in furnishing electric service in Montana.

3. That the Commission has jurisdiction over the subject matter of said application under RCM 1947, Sections 70-117.1 through 70-117.6.

4. That the securities transaction proposed by Black Hills as hereinafter authorized will be for a lawful purpose and is consistent with the public interest; that same is necessary or appropriate for and consistent with the proper performance by Black Hills of service as a public utility; and that the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of Black Hills.

5. That public notice of the filing of said application was given on March 27, 1975, and no protests or requests for a formal hearing were received.

#### CONCLUSION

The Commission concludes that the application of Black Hills Power and Light Company herein should be granted as hereinafter ordered.

#### ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at Helena, Montana, April 17, 1975, there being present Chairman Gordon E. Bollinger and Commissioners P. J. Gilfeather, Thomas G. Monahan, James R. Shea and George Turman, there regularly came before the Commission for final action the matters and things in Docket No. 6292, and the Commission being fully advised in the premises;

IT IS HEREBY ORDERED that the application of BLACK HILLS POWER AND LIGHT COMPANY for authority to issue and sell 50,000 shares of its authorized and unissued cumulative preferred stock of the par value of \$100 per share, at an 11% dividend rate, and to use the proceeds thereof for the purposes set forth in its application and as set forth above be, and the same hereby is, approved, subject to the provisions of this order.

Neither the issuance of securities by Black Hills Power and Light Company pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

The foregoing order was adopted unanimously by the Public Service Commission of the State of Montana.

DONE IN OPEN SESSION at Helena, Montana, on April 17, 1975.

GORDON E. BOLLINGER, Chairman

P.J. GILFEATHER, Commissioner

THOMAS G. MONAHAN, Commissioner

JAMES R. SHEA, Commissioner

GEORGE TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN  
Secretary  
(Seal)